

Qualified Areas

13 CFR §126.103



- Three categories -- Urban, Rural, Native American
- ✓ Metropolitan Area Census Tracts (HUD) - 7,000
 - ✓ Non-metropolitan Counties - 900
 - Median household income is less than 80% of the non-metropolitan state level (Census)
 - Unemployment rate that is not less than 140% of the state-wide average (BLS)
 - ✓ All federally recognized Indian reservations as defined by external boundary (*Update pending*)

Qualified Areas cont'd



✓ Designation period:

- **Urban** is concurrent with census (ten years)
- **Rural** reflects employment, income adjustments (one year)
- **Native American** involves Federal recognition and boundary changes. (*Definition of 'Indian Country' forthcoming*)

HUBZone SBCArea Update

- ✓ SBA's most recent reauthorization contained provision that allows for a three-year **grandfathering** for areas that at one time were HUBZone certified, but lost the designation due to a change in income or employment (aka - *redesignated area*).
 - Public Law 106-554



Requirements For A HUBZone Small Business

Concern (SBC) 13 CFR §126.103

✓ FOUR REQUIREMENTS:

- Must be a small business by SBA standards;
- Concern must be owned and controlled *only* by US citizens, Community Development Corporations or Indian tribes;
- The *principal office* of the concern must be located in a HUBZone; and
- At least 35% of the concern's employees must reside in a HUBZone.



The Certification Process

IMPROVED -- *Entirely revamped on-line application available since Jan. 1, 2001*

✓ PRO-Net list: <http://pro-net.sba.gov> or

✓ Contracting Officer's HUBZone Gateway at www.sba.gov/hubzone

✓ Processing time - 30 -- 45 days

✓ SBA decision in writing



Certification Process Details

13 CFR §126.300-306

- ✓ Firm must apply to SBA for certification
- ✓ Format:
 - *electronic* or paper
 - *electronic* can shave 10 days off decision timeline; paper strongly discouraged
 - available at **www.sba.gov/hubzone**



19.1303 -- Status as a Qualified HUBZone SBC



- ✓ HUBZone status determined by SBA
- ✓ List of qualified firms on the SBA HUBZone web site
- ✓ Joint ventures eligible if with HUB, 8(a), WOB
- ✓ Non-manufacturers must furnish the product of a HUBZone SB manufacturer
(will be updated by FAR Council)

Maintaining HUBZone Status

13 CFR §126. Subpart E

- ✓ No term limit
- ✓ All HUBZone firms, however, must annually self certify and do so within 30 calendar days of certification anniversary following notice by agency



HUBZone SBC Ongoing Obligations

13 CFR §126.501

- ✓ Provide immediate notice of any material change that affects eligibility
- ✓ Notification failure can result in immediate *decertification*
- ✓ If the firm reappplies, it must explain why it failed to notify SBA
- ✓ SBA, if not satisfied, may decline to certify



Program Examinations

13 CFR §126. Subpart D

- ✓ Eligibility verification
- ✓ Scope of review
 - Verification: eligibility requirements at time of application and examination
 - location, ownership & employment percentage requirements
- ✓ Time frame - when notified of a possible material change in status or random, at the discretion of SBA

